

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
September 10, 2013

Chairman Boyd called the meeting to order at 10:06 a.m.

Board Members present were as follows:

James Boyd	Hilda Fernandez	Carla Gomez
Jorge Gomez	Warren Green	Ray Horday
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent - (None)

Also present were:

Steve Cypen	Board attorney, Via Conference Call
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Administrator
Bill Cottle	Fund's consultant - Via Conference Call
Bradley Mester	Employee Member
Barbara Hawayek	Employee Member

CONSENT AGENDA

A motion was made by Mr. McKinnon duly seconded by Mr. Horday, and with all in favor it was unanimously

RESOLVED that the Consent Agenda be approved as presented.

C-1 The Minutes of the September 10, 2013 board meeting were approved as presented.

C-2 New Members were approved as follows -

Emp #	Full name	Description	To	Eff date	Union	Position Title
20323	GORDON, DEWAYNE A	NEW HIRE	MBERP	8/19/2013	uncl	CAPITAL PROJ COORD
20321	ORIS, JEFFREY	NEW HIRE	MBERP	8/12/2013	uncl	ECON DEV DIV DIR
20319	REBAR, JOHN E	NEW HIRE	MBERP	8/19/2013	uncl	PARKS & RECREATI DIR
20320	SILVA, LUIS E	NEW HIRE	MBERP	8/19/2013	uncl	CHIEF STRUCT PLANS EX
18245	PESTANA, FERNANDO	RE-HIRE	MBERP	08/12/13	uncl	FINANCIAL ANALYS FIN
19160	AUSTIN, BRITTANY	From PROBATION	MBERP	08/15/13	cwa	LIFEGUARD I
19380	SPINELLI, ALBERTO	From PROBATION	MBERP	08/15/13	cwa	LIFEGUARD I
19528	STAES, MARK	From PROBATION	MBERP	08/15/13	cwa	LIFEGUARD I
19385	WINKLER, DIRK	From PROBATION	MBERP	08/16/13	cwa	LIFEGUARD I
20318	CAMAYD, LAURA	NEW HIRE	MBERP	7/29/2013	uncl	PLANNER
20316	WILLIAMS, STEVEN	NEW HIRE	MBERP	7/29/2013	uncl	PLANNER
19369	FERNANDEZ, MABEL	From PROBATION	MBERP	08/11/13	cwa	LIFEGUARD I
19856	LA ROSA, CLARA	From PROBATION	MBERP	08/11/13	cwa	CLERK
20068	PEDROSO, STEVEN	From PROBATION	MBERP	08/01/13	cwa	DISPATCHER TRAINEE

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C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Gonzalo Gonzalez	08/01/2013	Ordinary (IA)	\$ 1,945.00
Sheri Sack	10/01/2013	Ordinary (50%)	\$ 3,711.84

C-4 New Pensioner Allowances were approved as follows - (None)

<u>Name</u>	<u>Date of Retirement</u>	<u>Ret. Type</u>	<u>Dependent Upon</u>	<u>Amount</u>
Francina Drake	08/01/2013	Ordinary 50%	Allen Drake	\$676.02

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Hermes Diaz	08/23/2013	\$27,783.25	Resignation
Nicole Arnold	08/13/2013	\$22,820.34	Resignation
Diane Rio	08/30/2013	\$99,906.25	Resignation
Randy Cesar	06/05/2012	\$22,505.30	Termination

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows - (None)

<u>Name</u>	<u>Date</u>	<u>Year Purchased</u>	<u>Hours Used</u>	<u>Cash Used</u>	<u>Total Buyback \$</u>	<u>Buyback Type</u>
Miguel Rios	9/4/2013	0.50	73.12	\$1,524.23	\$3,210.13	Probation
Alberto Ventura	8/6/2013	0.51	111.93		\$2,879.66	Probation
Winston Brown	8/28/2013	0.50	130.45		\$4,121.07	Probation

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>Employee Name</u>	<u>Private Sector</u>	<u>Prior Gov't</u>	<u>Prior Military</u>	<u>Employee Name</u>	<u>Private Sector</u>	<u>Prior Gov't</u>	<u>Prior Military</u>
Teresa S. Radig		X		Howard R. Ramirez	X		
Luis Caballero	X			Rianne S. Thomas	X		
Victor Hayes			X	Raph Monzo	X		
Marcel V. Couso	X			Roseline Choute	X		
Ed L. Tobin	X			Adriana P. Bovet-Morinon	X		
James G. Murphy	X			Judy Hoanshelt	X		
Millicent F. McFadden	X			Gladys N. Salas	X		
Orlando O. Del Sol	X			Manuel Perez	X		
Alain Socarras		X		Alejandro Simon		X	
Nancy Nestler	X			Yosbani Mendez		X	
Tommy A. Milz	X			Carlos A. Munoz		X	
Robert E. Randle	X			Pedro L. Corrales		X	
Pedro Maturell		X		Kaylee Alayon	X		
Darline Roldan	X			Alberto J. Ventura			X
Dario Garcia	X			Jeremy Hinkle		X	
Vicky A. Cadina	X			Miguel Rios	X		
Nilo Torres	X			Junior Douglas	X		

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C-9 DROP applicants were approved as follows -

<u>Name</u>	<u>Effective</u>	<u>Estimated Monthly Benefit</u>	<u>Last DROP Pmt.</u>
Winston Brown	10/01/2013	\$ 3,201.22	09/30/2016
Pawel Put	09/01/2013	\$ 4,686.72	08/31/2016
Ann Rabinowitz	10/01/2013	\$ 4,434.79	08/31/2016
Silvia Prieto	10/01/2013	\$ 3,727.17	09/30/2016

C-10 Lump Sum Refunds paid since the last meeting were approved as follows -

	<u>Lump Sums Paid August 2013</u>	<u>Check #</u>	<u>Amount</u>
8/9/2013	Lump Sum - Corey Burton	113996	\$ 16,723.26
	941 Tax Deposit- Corey Burton	xxxx	\$ 4,180.82
8/13/2013	IRA Rollover- Galyna Kruglov	113997	\$ 37,232.78
8/13/2013	IRA Rollover- Katherine Martinez	113998	\$ 16,312.07

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment - Administrative Expenses

Legal

Steve Cypen- Legal Services

Legal services rendered for the month of July \$ 5,000.00

Holland & Knight- Legal Service

Legal services rendered for Pension Plan Compliance
Review \$ 625.00

Bookkeeping

Joan Wall- Bookkeeping

services rendered for the month of September \$ 350.00

Insurance

Wind Policy - Citizens Property Insurance Corp.

Policy # 1480880 for period of 10/12/13 - 10/12/14 \$ 212.00

Office, etc.

Storage - IDD

Monthly storage fee per inv.# 0080570 \$ 49.13

Copier- Wells Fargo Financial Leasing

Monthly fees for the months of July & Aug. inv.#
5000268301 \$ 302.60

Office Supplies- Office Depot

Per invoice # 665898631001,665898654001 \$ 135.60

Office Supplies- ISA Printing & Bindery

envelopes for office inv. # 59579 7& inv. #59594 \$ 367.00

Office Maintenance- CMB Property Management

Maintenance & Repair charges for January 2013 per
inv.# 00038000 \$ 1,072.30

Office Maintenance- CMB Property Management

Maintenance & Repair charges for February 2013 per
inv.# 00038001 \$ 1,018.77

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Office Maintenance- CMB Property Management Maintenance & Repair charges for March 2013 per inv.# 00038002	\$	2,132.46
Office Maintenance- CMB Property Management Maintenance & Repair charges for April 2013 per inv.# 00039240	\$	1,423.55
Office Maintenance- CMB Property Management Maintenance & Repair changes for June 2013 per inv# 00040895	\$	1,283.33
Office Maintenance- CMB Property Management Maintenance & Repair charges for July 2013 per inv.# 00041688	\$	1,318.54
Printing & Postage- Comet Courier Corp Postage fees per inv.# J20554 dated 7/31/13	\$	56.03
Printing & Postage- Central Services Bill for the month of March 2013 per inv.# 00037991 dated 4/3/13	\$	1,148.23
Printing & Postage - Central Services Bill for the month of July 2013 per inv.# 00041522 dated 8/1/13	\$	1,203.00
Printing & Postage- Central Services Bill for the month of June 2013 per inv.# 00040752 dated 7/3/13	\$	1,943.21
Printing & Postage- United States Postal Service Postage fees from central services for mailing of notice	\$	484.32
Computer & Phone- Information Technology Computer & Phone use for the month of Jan. 2013 per inv# 00035361	\$	2,880.00
<u>Investment Consultant Fees</u>		
Consulting Services - Milliman Services for Qtr. Ending 7/20/13	\$	15,100.00
Investment Management Fee- Wellington Management Qtr. Ending 6/30/13 per inv. # 633667	\$	54,890.09
Investment Management Fee- WHV Qtr, ending 6/30/13 per inv.# 2123	\$	23,818.00
Investment Management Fee- WHV Qtr. Ending 6/30/13 Inv.# 2125	\$	81,790.00
<u>Custody Fees</u>		
Custodian Fee- Fiduciary Trust Qrt. Ending 7/31/13 WHV inv.# s14800265652	\$	745.96
Custodian Fee- Fiduciary Trust Qrt. Ending 6/30/13 RH ADR. Inv.#S14800265651	\$	4,258.44

C-13 Requests for Payment(Conferences)Conv/Seminars/Dues/Etc

- | | | | |
|---|---|----|----------|
| 1 | Conf. & Edu.- PGA national Resort & Spa | | |
| | Hotel reservations for Rick Rivera for FPPTA | | |
| | Trustees School | \$ | 507.00 |
| 2 | Conf. & Edu.- PGA national Resort & Spa | | |
| | Hotel reservations for James Boyd for FPPTA | | |
| | Trustees School | \$ | 507.00 |
| 3 | Conf. & Edu.- PGA national Resort & Spa | | |
| | Hotel reservations for Warren Green for FPPTA | | |
| | Trustees School | \$ | 676.00 |
| 4 | Conf. & Edu.- FPPTA | | |
| | Registration fees for Trustees School: | | |
| | Rivera, Boyd, Sinkes, Green | \$ | 1,800.00 |

REGULAR AGENDA

R-1 Deferred Items - (None)R-2 New Items -

- A. Employee Member Barbara Hawayek to address the Board regarding the two (2) year buyback option - The Administrator explained that Ms. Hawayek had migrated from the defined contribution (DC) plan into the defined benefit (DB) plan in 2006. He said that Ms. Hawayek had not migrated the entire balance due in order to bring in all her years of service into the DB plan. He said that the pension ordinance required full migration of assets to qualify for a buyback of two (2) years of additional service. The Administrator said that the pension office had notified all DC migrants with shortfalls in their migration of the amount that was still due, the deadline date to make full payment on the shortfall and the ramifications of not migrating the entire amount due. He provided the Board two (2) emails sent to Ms. Hawayek regarding this subject.

Ms. Hawayek said that during the time of the migration she had relocated at work to several different locations and had never received the emails from the pension office. Mr. Cypen said that it was not the burden of the pension office to notify Ms. Hawayek of her shortfall due as long as the pension plan had not hindered her in her attempt to complete the payment of the shortfall due. Mr. Cypen recommended that the Board not make a special allowance for one (1) employee. Ms. Hawayek said that she was not aware of a migration shortfall until she was denied in her attempt to purchase two (2) years of additional service earlier in the year. Ms. Hawayek requested that the Board allow her to make payment on the migration shortfall in order to be able to apply for the two (2) year buyback. A discussion ensued. No action was taken.

- B. Employee Member Brad Mester to address the Board regarding the DROP extension - Mr. Mester stated that he had an objection with the pension board approving Mr. McKinnon's DROP period to a maximum of 60 months prior to the passing of the second reading of the ordinance extending the DROP period. Mr. Cypen said that the City had not terminated Mr. McKinnon at the end of his three (3) year DROP period ending July 31, 2013 due to the passing of the first reading of the pension ordinance and the ratification of the CWA collective bargaining agreement. He said that the CWA collective bargaining agreement included a provision to extend the maximum DROP period from thirty (36) months to sixty (60) months. The Administrator said that since Mr. McKinnon's retirement application had been previously approved and the City had not terminated him on July 31st, he had continued to make a DROP payment for his benefit.

A discussion ensued. Mr. Mester requested that the Board make an exception and allow him to apply for the purchase of two (2) years of additional service prior to him attaining five (5) years of creditable service since he felt that the Board had made an exception approving Mr. McKinnon's DROP extension. Mr. Mester was advised to address his concerns with his supervisors and City Administration following proper channels and procedures.

- C. Discussion of possible termination of WHV Investment Management firm - Mr. Cottle participated in the meeting via conference call. Mr. Cottle recommended terminating the WHV emerging market portfolio due to poor performance and because WHV no longer provided an environment conducive to long term success. A discussion ensued. The Administrator was instructed to notify WHV of their immediate termination in the emerging market strategy and to liquidate the account and transfer funds back into the Fund's separately managed Rhumblin International ADR account.

A motion was made by Mr. McKinnon duly seconded by Mr. Green, and with all in favor, it was unanimously

RESOLVED that the WHV International ADR strategy be terminated immediately and funds be account be Mr. McKinnon and Mr. Greent he WHV emerging markets strategy be terminated immediately and that the account be liquidated and funds be transferred to the Rhumblin International ADR account custodied at Fiduciary Trust International.

A discussion ensued regarding whether the WHV International ADR strategy should be terminated as well. Mr. Cottle said that the WHV International team was managed by Hirayama associates, a subpart of WHV. He felt that the Board should not terminate the International ADR strategy today because this product was insulated from the rest of WHV. Mr. Cottle exited the meeting via the conference call. A discussion ensued. Ms. Walker asked the Administrator to send in writing a letter to Mr. Cottle reiterating the fact that he should notify the Administrator immediately if he felt that the WHV International ADR strategy needed to be terminated prior to the next pension board meeting so that the Board could take immediate action if necessary.

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D. Meeting date change request by Milliman Inc. from November 12th to November 5th 2013 - Mr. Cottle, via conference call, requested to the Board if the investment board meeting scheduled for Tuesday, November 12, 2013 could be changed to Tuesday, November 5, 2013. A discussion ensued. The Board approved this request. Mr. Cottle thanked the Board.

E. GRS Invoice for Asset Allocation Study - The Board reviewed the letter from GRS to the Fund's consultant regarding benefit payment projections for MBERP. Ms. Walker expressed concern regarding the salary assumption being used for this study. Chairman Boyd said that it appeared that the most up to date salary assumption information was being used for this benefit projection due to the language in the letter concerning the salary assumption being used. A discussion ensued.

Ms. Walker felt that certain assumptions needed to be re-visited by the Board. She requested that the topic actuarial assumptions be placed on the next agenda for board discussion. Ms. Walker said that there continued to be external pressure to reduce the actuarial interest rate below 8%. She also felt that the wage assumption was still too high, even after the Board's reduction in the salary assumption a few years ago from 6% to 5.7%. The Administrator said that he would place this item on next month's agenda for discussion. The Administrator requested that the Board approve the GRS invoice #402583 for the amount of \$8,334.00 for the benefit payment projection study.

A motion was made by Mr. McKinnon duly seconded by Mr. Green, and with all in favor, it was unanimously

RESOLVED that GRS invoice #402583, dated 8/9/2013 for the amount of \$8,334.00 be approved as presented.

R-3 Other Business

A. The Administrator's Report - There was no information at this time.

R-4 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. Horday seconded by Mr. Green and unanimously

RESOLVED that the meeting be adjourned. The meeting was adjourned at 12:50 p.m.

James Boyd, Chairman

Hilda Fernandez, Secretary